

AN ACT concerning revenue.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 1. Short title. This Act may be cited as the Reimagining Electric Vehicles in Illinois Act.

Section 5. Purpose. It is the intent of the General Assembly that Illinois should lead the nation in the production of electric vehicles. The General Assembly finds that, through investments in electric vehicle manufacturing, Illinois will be on the forefront of emerging technologies that are currently transforming the auto manufacturing industry. This Act will reduce carbon emissions, create good paying jobs, and generate long-term economic investment in the Illinois business economy. Illinois must aggressively adopt new business development investment tools so that Illinois is more competitive in site location decision-making for manufacturing facilities directly related to the electric vehicle industry. Illinois' long-term development benefits from rational, strategic use of State resources in support of development and growth in the electric vehicle industry.

The General Assembly finds that workers are essential to the prosperity of our State's economy and play a critical role in Illinois becoming leader in manufacturing. The General

Assembly further finds that, for the prosperity of our State, workers in this industry must be afforded high quality jobs that honor the dignity of work. Therefore, the General Assembly finds that it is in the best interest of Illinois to protect the work conditions, worker safety, and worker rights in the manufacturing industry and further finds that employer workplace policies shall be interpreted broadly to protect employees.

Section 10. Definitions. As used in this Act:

"Agreement" means the agreement between a taxpayer and the Department under the provisions of Section 45 of this Act.

"Applicant" means a taxpayer that (i) operates a business in Illinois or is planning to locate a business within the State of Illinois and (ii) is engaged in interstate or intrastate commerce for the purpose of manufacturing electric vehicles, electric vehicle component parts, or electric vehicle power supply equipment. "Applicant" does not include a taxpayer who closes or substantially reduces by more than 50% operations at one location in the State and relocates substantially the same operation to another location in the State. This does not prohibit a Taxpayer from expanding its operations at another location in the State. This also does not prohibit a Taxpayer from moving its operations from one location in the State to another location in the State for the purpose of expanding the operation, provided that the

Department determines that expansion cannot reasonably be accommodated within the municipality or county in which the business is located, or, in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality or county and taking into consideration any evidence offered by the municipality or county regarding the ability to accommodate expansion within the municipality or county.

"Capital improvements" means the purchase, renovation, rehabilitation, or construction of permanent tangible land, buildings, structures, equipment, and furnishings in an approved project sited in Illinois and expenditures for goods or services that are normally capitalized, including organizational costs and research and development costs incurred in Illinois. For land, buildings, structures, and equipment that are leased, the lease must equal or exceed the term of the agreement, and the cost of the property shall be determined from the present value, using the corporate interest rate prevailing at the time of the application, of the lease payments.

"Credit" means either a "REV Illinois Credit" or a "REV Construction Jobs Credit" agreed to between the Department and applicant under this Act.

"Department" means the Department of Commerce and Economic Opportunity.

"Director" means the Director of Commerce and Economic Opportunity.

"Electric vehicle" means a vehicle that is exclusively powered by and refueled by electricity, must be plugged in to charge or utilize a pre-charged battery, and is permitted to operate on public roadways. "Electric vehicle" does not include hybrid electric vehicles and extended-range electric vehicles that are also equipped with conventional fueled propulsion or auxiliary engines.

"Electric vehicle manufacturer" means a new or existing manufacturer that is focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces electric vehicles as defined in this Section.

"Electric vehicle component parts manufacturer" means a new or existing manufacturer that is primarily focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces key components that directly support the electric functions of electric vehicles, as defined by this Section.

"Electric vehicle power supply equipment" means the equipment used specifically for the purpose of delivering electricity to an electric vehicle.

"Electric vehicle power supply manufacturer" means a new or existing manufacturer that is focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces electric vehicle power supply equipment

used for the purpose of delivering electricity to an electric vehicle.

"Energy Transition Area" means a county with less than 100,000 people or a municipality that contains one or more of the following:

(1) a fossil fuel plant that was retired from service or has significant reduced service within 6 years before the time of the application or will be retired or have service significantly reduced within 6 years following the time of the application; or

(2) a coal mine that was closed or had operations significantly reduced within 6 years before the time of the application or is anticipated to be closed or have operations significantly reduced within 6 years following the time of the application.

"Full-time employee" means an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment. An individual for whom a W-2 is issued by a Professional Employer Organization (PEO) is a full-time employee if employed in the service of the applicant for consideration for at least 35 hours each week.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of new employees and, if applicable, retained employees under Article 7 of the

Illinois Income Tax Act arising from employment at a project that is the subject of an agreement.

"Institution of higher education" or "institution" means any accredited public or private university, college, community college, business, technical, or vocational school, or other accredited educational institution offering degrees and instruction beyond the secondary school level.

"Minority person" means a minority person as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

"New employee" means a newly-hired full-time employee employed to work at the project site and whose work is directly related to the project.

"Noncompliance date" means, in the case of a taxpayer that is not complying with the requirements of the agreement or the provisions of this Act, the day following the last date upon which the taxpayer was in compliance with the requirements of the agreement and the provisions of this Act, as determined by the Director, pursuant to Section 70.

"Pass-through entity" means an entity that is exempt from the tax under subsection (b) or (c) of Section 205 of the Illinois Income Tax Act.

"Placed in service" means the state or condition of readiness, availability for a specifically assigned function, and the facility is constructed and ready to conduct its facility operations to manufacture goods.

"Professional employer organization" (PEO) means an employee leasing company, as defined in Section 206.1 of the Illinois Unemployment Insurance Act.

"Program" means the Reimagining Electric Vehicles in Illinois Program (the REV Illinois Program) established in this Act.

"Project" or "REV Illinois Project" means a for-profit economic development activity for the manufacture of electric vehicles, electric vehicle component parts, or electric vehicle power supply equipment which is designated by the Department as a REV Illinois Project and is the subject of an agreement.

"Recycling facility" means a location at which the taxpayer disposes of batteries and other component parts in manufacturing of electric vehicles, electric vehicle component parts, or electric vehicle power supply equipment.

"Related member" means a person that, with respect to the taxpayer during any portion of the taxable year, is any one of the following:

(1) An individual stockholder, if the stockholder and the members of the stockholder's family (as defined in Section 318 of the Internal Revenue Code) own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock.

(2) A partnership, estate, trust and any partner or

beneficiary, if the partnership, estate, or trust, and its partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or value of the taxpayer.

(3) A corporation, and any party related to the corporation in a manner that would require an attribution of stock from the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the Taxpayer owns directly, indirectly, beneficially, or constructively at least 50% of the value of the corporation's outstanding stock.

(4) A corporation and any party related to that corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the corporation and all such related parties own in the aggregate at least 50% of the profits, capital, stock, or value of the taxpayer.

(5) A person to or from whom there is an attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code, except, for purposes of determining whether a person is a related member under this paragraph, 20% shall be substituted for 5% wherever 5% appears in Section 1563(e) of the Internal Revenue Code.

"Retained employee" means a full-time employee employed by the taxpayer prior to the term of the Agreement who continues to be employed during the term of the agreement whose job duties are directly and substantially related to the project. For purposes of this definition, "directly and substantially related to the project" means at least two-thirds of the employee's job duties must be directly related to the project and the employee must devote at least two-thirds of his or her time to the project. The term "retained employee" does not include any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the taxpayer or a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership of at least 5% in the profits, equity, capital, or value of the taxpayer.

"REV Illinois credit" means a credit agreed to between the Department and the applicant under this Act that is based on the incremental income tax attributable to new employees and, if applicable, retained employees, and on training costs for such employees at the applicant's project.

"REV construction jobs credit" means a credit agreed to between the Department and the applicant under this Act that is based on the incremental income tax attributable to construction wages paid in connection with construction of the project facilities.

"Statewide baseline" means the total number of full-time employees of the applicant and any related member employed by such entities at the time of application for incentives under this Act.

"Taxpayer" means an individual, corporation, partnership, or other entity that has a legal obligation to pay Illinois income taxes and file an Illinois income tax return.

"Training costs" means costs incurred to upgrade the technological skills of full-time employees in Illinois and includes: curriculum development; training materials (including scrap product costs); trainee domestic travel expenses; instructor costs (including wages, fringe benefits, tuition and domestic travel expenses); rent, purchase or lease of training equipment; and other usual and customary training costs. "Training costs" do not include costs associated with travel outside the United States (unless the Taxpayer receives prior written approval for the travel by the Director based on a showing of substantial need or other proof the training is not reasonably available within the United States), wages and fringe benefits of employees during periods of training, or administrative cost related to Full-Time Employees of the Taxpayer.

"Underserved area" means any geographic areas as defined in Section 5-5 of the Economic Development for a Growing Economy Tax Credit Act.

Section 15. Powers of the Department. The Department, in addition to those powers granted under the Civil Administrative Code of Illinois, is granted and shall have all the powers necessary or convenient to administer the program under this Act and to carry out and effectuate the purposes and provisions of this Act, including, but not limited to, the power and authority to:

(1) adopt rules deemed necessary and appropriate for the administration of the REV Illinois Program, the designation of REV Illinois Projects, and the awarding of credits;

(2) establish forms for applications, notifications, contracts, or any other agreements and accept applications at any time during the year;

(3) assist taxpayers pursuant to the provisions of this Act and cooperate with taxpayers that are parties to agreements under this Act to promote, foster, and support economic development, capital investment, and job creation or retention within the State;

(4) enter into agreements and memoranda of understanding for participation of, and engage in cooperation with, agencies of the federal government, units of local government, universities, research foundations or institutions, regional economic development corporations, or other organizations to implement the requirements and purposes of this Act;

(5) gather information and conduct inquiries, in the manner and by the methods it deems desirable, including without limitation, gathering information with respect to applicants for the purpose of making any designations or certifications necessary or desirable or to gather information to assist the Department with any recommendation or guidance in the furtherance of the purposes of this Act;

(6) establish, negotiate and effectuate agreements and any term, agreement, or other document with any person, necessary or appropriate to accomplish the purposes of this Act; and to consent, subject to the provisions of any agreement with another party, to the modification or restructuring of any agreement to which the Department is a party;

(7) fix, determine, charge, and collect any premiums, fees, charges, costs, and expenses from applicants, including, without limitation, any application fees, commitment fees, program fees, financing charges, or publication fees as deemed appropriate to pay expenses necessary or incident to the administration, staffing, or operation in connection with the Department's activities under this Act, or for preparation, implementation, and enforcement of the terms of the agreement, or for consultation, advisory and legal fees, and other costs; however, all fees and expenses incident thereto shall be

the responsibility of the applicant;

(8) provide for sufficient personnel to permit administration, staffing, operation, and related support required to adequately discharge its duties and responsibilities described in this Act from funds made available through charges to applicants or from funds as may be appropriated by the General Assembly for the administration of this Act;

(9) require applicants, upon written request, to issue any necessary authorization to the appropriate federal, State, or local authority for the release of information concerning a project being considered under the provisions of this Act, with the information requested to include, but not be limited to, financial reports, returns, or records relating to the taxpayer or its project;

(10) require that a taxpayer shall at all times keep proper books of record and account in accordance with generally accepted accounting principles consistently applied, with the books, records, or papers related to the agreement in the custody or control of the taxpayer open for reasonable Department inspection and audits, and including, without limitation, the making of copies of the books, records, or papers, and the inspection or appraisal of any of the taxpayer or project assets;

(11) take whatever actions are necessary or appropriate to protect the State's interest in the event

of bankruptcy, default, foreclosure, or noncompliance with the terms and conditions of financial assistance or participation required under this Act, including the power to sell, dispose, lease, or rent, upon terms and conditions determined by the Director to be appropriate, real or personal property that the Department may receive as a result of these actions.

Section 20. REV Illinois Program; project applications.

(a) The Reimagining Electric Vehicles in Illinois (REV Illinois) Program is hereby established and shall be administered by the Department. The Program will provide financial incentives to eligible manufacturers of electric vehicles, electric vehicle component parts, and electric vehicle power supply equipment.

(b) Any taxpayer planning a project to be located in Illinois may request consideration for designation of its project as a REV Illinois Project, by formal written letter of request or by formal application to the Department, in which the applicant states its intent to make at least a specified level of investment and intends to hire a specified number of full-time employees at a designated location in Illinois. As circumstances require, the Department shall require a formal application from an applicant and a formal letter of request for assistance.

(c) In order to qualify for credits under the REV Illinois

Program, an Applicant must:

(1) for an electric vehicle manufacturer:

(A) make an investment of at least \$1,500,000,000 in capital improvements at the project site;

(B) to be placed in service within the State within a 60-month period after approval of the application; and

(C) create at least 500 new full-time employee jobs; or

(2) for an electric vehicle component parts manufacturer:

(A) make an investment of at least \$300,000,000 in capital improvements at the project site;

(B) manufacture one or more parts that are primarily used for electric vehicle manufacturing;

(C) to be placed in service within the State within a 60-month period after approval of the application; and

(D) create at least 150 new full-time employee jobs; or

(3) for an electric vehicle manufacturer, electric vehicle power supply equipment Manufacturer, or electric vehicle component part manufacturer that does not qualify under paragraph (2) above:

(A) make an investment of at least \$20,000,000 in capital improvements at the project site;

(B) for electric vehicle component part manufacturers, manufacture one or more parts that are primarily used for electric vehicle manufacturing;

(C) to be placed in service within the State within a 48-month period after approval of the application; and

(D) create at least 50 new full-time employee jobs; or

(4) for an electric vehicle manufacturer or electric vehicle component parts manufacturer with existing operations within Illinois that intends to convert or expand, in whole or in part, the existing facility from traditional manufacturing to electric vehicle manufacturing, electric vehicle component parts manufacturing, or electric vehicle power supply equipment manufacturing:

(A) make an investment of at least \$100,000,000 in capital improvements at the project site;

(B) to be placed in service within the State within a 60-month period after approval of the application; and

(C) create the lesser of 75 new full-time employee jobs or new full-time employee jobs equivalent to 10% of the Statewide baseline applicable to the taxpayer and any related member at the time of application.

(d) For any applicant creating the full-time employee jobs

noted in subsection (c), those jobs must have a total compensation equal to or greater than 120% of the average wage paid to full-time employees in the county where the project is located, as determined by the U.S. Bureau of Labor Statistics.

(e) For any applicant, within 24 months after being placed in service, it must certify to the Department that it is carbon neutral or has attained certification under one of more of the following green building standards:

- (1) BREEAM for New Construction or BREEAM In-Use;
- (2) ENERGY STAR;
- (3) Envision;
- (4) ISO 50001 - energy management;
- (5) LEED for Building Design and Construction or LEED for Building Operations and Maintenance;
- (6) Green Globes for New Construction or Green Globes for Existing Buildings; or
- (7) UL 3223.

(f) Each applicant must outline its hiring plan and commitment to recruit and hire full-time employee positions at the project site. The hiring plan may include a partnership with an institution of higher education to provide internships, including, but not limited to, internships supported by the Clean Jobs Workforce Network Program, or full-time permanent employment for students at the project site. Additionally, the applicant may create or utilize participants from apprenticeship programs that are approved by

and registered with the United States Department of Labor's Bureau of Apprenticeship and Training. The Applicant may apply for apprenticeship education expense credits in accordance with the provisions set forth in 14 Ill. Admin. Code 522. Each applicant is required to report annually, on or before April 15, on the diversity of its workforce in accordance with Section 50 of this Act. For existing facilities of applicants under paragraph (3) of subsection (b) above, if the taxpayer expects a reduction in force due to its transition to manufacturing electric vehicle, electric vehicle component parts, or electric vehicle power supply equipment, the plan submitted under this Section must outline the taxpayer's plan to assist with retraining its workforce aligned with the taxpayer's adoption of new technologies and anticipated efforts to retrain employees through employment opportunities within the taxpayer's workforce.

(g) Each applicant must demonstrate a contractual or other relationship with a recycling facility, or demonstrate its own recycling capabilities, at the time of application and report annually a continuing contractual or other relationship with a recycling facility and the percentage of batteries used in electric vehicles recycled throughout the term of the agreement.

(h) A taxpayer may not enter into more than one agreement under this Act with respect to a single address or location for the same period of time. Also, a taxpayer may not enter into an

agreement under this Act with respect to a single address or location for the same period of time for which the taxpayer currently holds an active agreement under the Economic Development for a Growing Economy Tax Credit Act. This provision does not preclude the applicant from entering into an additional agreement after the expiration or voluntary termination of an earlier agreement under this Act or under the Economic Development for a Growing Economy Tax Credit Act to the extent that the taxpayer's application otherwise satisfies the terms and conditions of this Act and is approved by the Department. An applicant with an existing agreement under the Economic Development for a Growing Economy Tax Credit Act may submit an application for an agreement under this Act after it terminates any existing agreement under the Economic Development for a Growing Economy Tax Credit Act with respect to the same address or location.

Section 25. Review of application. The Department shall determine which projects will benefit the State. In making its recommendation that an applicant's application for credit should or should not be accepted, which shall occur within a reasonable time frame as determined by the nature of the application, the Department shall determine that all the following conditions exist:

- (1) the applicant intends to make the required investment in the State and intends to hire the required

number of full-time employees;

(2) the applicant's project is economically sound, will benefit the people of the State by increasing opportunities for employment, and will strengthen the economy of the State;

(3) awarding the credit will result in an overall positive fiscal impact to the State, as certified by the Department using the best available data; and

(4) the credit is not prohibited under this Act.

Section 30. Tax credit awards.

(a) Subject to the conditions set forth in this Act, a taxpayer is entitled to a credit against the tax imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for a taxable year beginning on or after January 1, 2025 if the taxpayer is awarded a credit by the Department in accordance with an agreement under this Act. The Department has authority to award credits under this Act on and after January 1, 2022.

(b) REV Illinois Credits. A taxpayer may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, not to exceed the sum of (i) 75% of the incremental income tax attributable to new employees at the applicant's project and (ii) 10% of the training costs of the new employees. If the project is located in an underserved area or an energy transition area, then the

amount of the credit may not exceed the sum of (i) 100% of the incremental income tax attributable to new employees at the applicant's project; and (ii) 10% of the training costs of the new employees. The percentage of training costs includable in the calculation may be increased by an additional 15% for training costs associated with new employees that are recent (2 years or less) graduates, certificate holders, or credential recipients from an institution of higher education in Illinois, or, if the training is provided by an institution of higher education in Illinois, the Clean Jobs Workforce Network Program, or an apprenticeship and training program located in Illinois and approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training. An applicant is also eligible for a training credit that shall not exceed 10% of the training costs of retained employees for the purpose of upskilling to meet the operational needs of the applicant or the REV Illinois Project. The percentage of training costs includable in the calculation shall not exceed a total of 25%. If an applicant agrees to hire the required number of new employees, then the maximum amount of the credit for that applicant may be increased by an amount not to exceed 25% of the incremental income tax attributable to retained employees at the applicant's project; provided that, in order to receive the increase for retained employees, the applicant must, if applicable, meet or exceed the statewide baseline. If the

Project is in an underserved area or an energy transition area, the maximum amount of the credit attributable to retained employees for the applicant may be increased to an amount not to exceed 50% of the incremental income tax attributable to retained employees at the applicant's project; provided that, in order to receive the increase for retained employees, the applicant must meet or exceed the statewide baseline. REV Illinois Credits awarded may include credit earned for incremental income tax withheld and training costs incurred by the taxpayer beginning on or after January 1, 2022. Credits so earned and certified by the Department may be applied against the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for taxable years beginning on or after January 1, 2025.

(c) REV Construction Jobs Credit. For construction wages associated with a project that qualified for a REV Illinois Credit under subsection (b), the taxpayer may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act in an amount equal to 50% of the incremental income tax attributable to construction wages paid in connection with construction of the project facilities, as a jobs credit for workers hired to construct the project.

The REV Construction Jobs Credit may not exceed 75% of the amount of the incremental income tax attributable to construction wages paid in connection with construction of the

project facilities if the project is in an underserved area or an energy transition area.

(d) The Department shall certify to the Department of Revenue: (1) the identity of Taxpayers that are eligible for the REV Illinois Credit and REV Construction Jobs Credit; (2) the amount of the REV Illinois Credits and REV Construction Jobs Credits awarded in each calendar year; and (3) the amount of the REV Illinois Credit and REV Construction Jobs Credit claimed in each calendar year. REV Illinois Credits awarded may include credit earned for Incremental Income Tax withheld and Training Costs incurred by the Taxpayer beginning on or after January 1, 2022. Credits so earned and certified by the Department may be applied against the tax imposed by Section 201(a) and (b) of the Illinois Income Tax Act for taxable years beginning on or after January 1, 2025.

(e) Applicants seeking certification for a tax credits related to the construction of the project facilities in the State shall require the contractor to enter into a project labor agreement that conforms with the Project Labor Agreements Act.

(f) Any applicant issued a certificate for a tax credit or tax exemption under this Act must annually report to the Department the total project tax benefits received. Reports are due no later than May 31 of each year and shall cover the previous calendar year. The first report is for the 2022 calendar year and is due no later than May 31, 2023.

(g) Nothing in this Act shall prohibit an award of credit to an applicant that uses a PEO if all other award criteria are satisfied.

(h) With respect to any portion of a REV Illinois Credit that is based on the incremental income tax attributable to new employees or retained employees, in lieu of the Credit allowed under this Act against the taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, a taxpayer that otherwise meets the criteria set forth in this Section, the taxpayer may elect to claim the credit, on or after January 1, 2025, against its obligation to pay over withholding under Section 704A of the Illinois Income Tax Act. The election shall be made in the manner prescribed by the Department of Revenue and once made shall be irrevocable.

Section 35. Relocation of jobs in Illinois. A taxpayer is not entitled to claim a credit provided by this Act with respect to any jobs that the Taxpayer relocates from one site in Illinois to another site in Illinois. Any full-time employee relocated to Illinois in connection with a qualifying project is deemed to be a new employee for purposes of this Act. Determinations under this Section shall be made by the Department.

Section 40. Amount and duration of the credits; limitation to amount of costs of specified items. The Department shall

determine the amount and duration of the REV Illinois Credit awarded under this Act, subject to the limitations set forth in this Act. For a project that qualified under paragraph (1), (2), or (4) of subsection (c) of Section 20, the duration of the credit may not exceed 15 taxable years. For project that qualified under paragraph (3) of subsection (c) of Section 20, the duration of the credit may not exceed 10 taxable years. The credit may be stated as a percentage of the incremental income tax and training costs attributable to the applicant's project and may include a fixed dollar limitation.

Nothing in this Section shall prevent the Department, in consultation with the Department of Revenue, from adopting rules to extend the sunset of any earned, existing, and unused tax credit or credits a taxpayer may be in possession of, as provided for in Section 605-1055 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois, notwithstanding the carry-forward provisions pursuant to paragraph (4) of Section 211 of the Illinois Income Tax Act.

Section 45. Contents of agreements with applicants.

(a) The Department shall enter into an agreement with an applicant that is awarded a credit under this Act. The agreement shall include all of the following:

- (1) A detailed description of the project that is the subject of the agreement, including the location and

amount of the investment and jobs created or retained.

(2) The duration of the credit, the first taxable year for which the credit may be awarded, and the first taxable year in which the credit may be used by the taxpayer.

(3) The credit amount that will be allowed for each taxable year.

(4) For a project qualified under paragraphs (1), (2), or (4) of subsection (c) of Section 20, a requirement that the taxpayer shall maintain operations at the project location a minimum number of years not to exceed 15. For project qualified under paragraph (3) of subsection (c) of Section 20, a requirement that the taxpayer shall maintain operations at the project location a minimum number of years not to exceed 10.

(5) A specific method for determining the number of new employees and if applicable, retained employees, employed during a taxable year.

(6) A requirement that the taxpayer shall annually report to the Department the number of new employees, the incremental income tax withheld in connection with the new employees, and any other information the Department deems necessary and appropriate to perform its duties under this Act.

(7) A requirement that the Director is authorized to verify with the appropriate State agencies the amounts reported under paragraph (6), and after doing so shall

issue a certificate to the taxpayer stating that the amounts have been verified.

(8) A requirement that the taxpayer shall provide written notification to the Director not more than 30 days after the taxpayer makes or receives a proposal that would transfer the taxpayer's State tax liability obligations to a successor taxpayer.

(9) A detailed description of the number of new employees to be hired, and the occupation and payroll of full-time jobs to be created or retained because of the project.

(10) The minimum investment the taxpayer will make in capital improvements, the time period for placing the property in service, and the designated location in Illinois for the investment.

(11) A requirement that the taxpayer shall provide written notification to the Director and the Director's designee not more than 30 days after the taxpayer determines that the minimum job creation or retention, employment payroll, or investment no longer is or will be achieved or maintained as set forth in the terms and conditions of the agreement. Additionally, the notification should outline to the Department the number of layoffs, date of the layoffs, and detail taxpayer's efforts to provide career and training counseling for the impacted workers with industry-related certifications and

trainings.

(12) A provision that, if the total number of new employees falls below a specified level, the allowance of credit shall be suspended until the number of new employees equals or exceeds the agreement amount.

(13) If applicable, a provision that specifies the statewide baseline at the time of application for retained employees. Additionally, the agreement must have a provision addressing if the total number retained employees falls below the statewide baseline, the allowance of the credit shall be suspended until the number of retained employees equals or exceeds the agreement amount.

(14) A detailed description of the items for which the costs incurred by the Taxpayer will be included in the limitation on the Credit provided in Section 40.

(15) A provision stating that if the taxpayer fails to meet either the investment or job creation and retention requirements specified in the agreement during the entire 5-year period beginning on the first day of the first taxable year in which the agreement is executed and ending on the last day of the fifth taxable year after the agreement is executed, then the agreement is automatically terminated on the last day of the fifth taxable year after the agreement is executed, and the taxpayer is not entitled to the award of any credits for any of that 5-year

period.

(16) A provision stating that if the taxpayer ceases principal operations with the intent to permanently shut down the project in the State during the term of the Agreement, then the entire credit amount awarded to the taxpayer prior to the date the taxpayer ceases principal operations shall be returned to the Department and shall be reallocated to the local workforce investment area in which the project was located.

(17) A provision stating that the Taxpayer must provide the reports outlined in Sections 50 and 55 on or before April 15 each year.

(18) A provision requiring the taxpayer to report annually its contractual obligations or otherwise with a recycling facility for its operations.

(19) Any other performance conditions or contract provisions the Department determines are necessary or appropriate.

(20) Each taxpayer under paragraph (1) of subsection (c) of Section 20 above shall maintain labor neutrality toward any union organizing campaign for any employees of the taxpayer assigned to work on the premises of the REV Illinois Project Site. This paragraph shall not apply to an electric vehicle manufacturer, electric vehicle component part manufacturer, electric vehicle power supply manufacturer or any joint venture including an electric

vehicle manufacturer, electric vehicle component part manufacturer, and electric vehicle power supply manufacturer, who is subject to collective bargaining agreement entered into prior to the taxpayer filing an application pursuant to this Act.

(b) The Department shall post on its website the terms of each agreement entered into under this Act. Such information shall be posted within 10 days after entering into the agreement and must include the following:

- (1) the name of the taxpayer;
- (2) the location of the project;
- (3) the estimated value of the credit;
- (4) the number of new employee jobs and, if applicable, number of retained employee jobs at the project; and
- (5) whether or not the project is in an underserved area or energy transition area.

Section 50. Diversity report on the taxpayer's workforce, board of directors, and vendors.

(a) Each taxpayer with a workforce of 100 or more employees and with an agreement for a REV Illinois project under this Act shall, starting on April 15, 2025, and every year thereafter prior to April 15, for which the Taxpayer has an Agreement under this Act, submit to the Department an annual report detailing the diversity of the taxpayer's own

workforce, including full-time and part-time employees, contractors, and board of directors' membership. Any taxpayer seeking to claim a credit under this Act that fails to timely submit the required report shall not receive a credit for that taxable year unless and until such report is finalized and submitted to the Department. The report should also address the Taxpayer's best efforts to meet or exceed the recruitment and hiring plan outlined in the application referenced in Section 20. Those reports shall be submitted in the form and manner required by the Department.

(b) Vendor diversity and annual report. Each taxpayer with a workforce of 100 or more full-time employees shall, starting on April 15, 2025 and every year thereafter for which the taxpayer has an Agreement under this Act, report on the diversity of the vendors that it utilizes, for publication on the Department's website, and include the following information:

(1) a point of contact for potential vendors to register with the taxpayer's REV Illinois Project;

(2) certifications that the taxpayer accepts or recognizes for minority and women-owned businesses as entities;

(3) the taxpayers goals to contract with diverse vendors, if any, for the next fiscal year for the entire budget of the Taxpayer's REV Illinois Project;

(4) for the last fiscal year, the actual contractual

spending for the entire budget of the REV Illinois Project and the actual spending for minority-owned businesses and women-owned businesses, expressed as a percentage of the total budget for actual spending for the REV Illinois project;

(5) A narrative explaining the results of the report and the taxpayer's plan to address the voluntary goals for the next fiscal year; and

(6) A copy of the taxpayer's submission of vendor diversity information to the federal government, including but not limited to vendor diversity goals and actual contractual spending for minority-and women-owned businesses, if the Taxpayer is a federal contractor and is required by the federal government to submit such information.

Section 55. Sexual harassment policy report. Each taxpayer claiming a credit under this Act shall, prior to April 15 of each taxable year for which the taxpayer claims a credit under this Act, submit to the Department a report detailing that taxpayer's sexual harassment policy, which contains, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment under State law; (iii) a description of sexual harassment, utilizing examples; (iv) the vendor's internal complaint process, including penalties; (v) the legal recourse and

investigative and complaint processes available through the Department; (vi) directions on how to contact the Department; and (vii) protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act. A copy of the policy shall be provided to the Department upon request. The reports required under this Section shall be submitted in a form and manner determined by the Department.

Section 60. Certificate of verification; submission to the Department of Revenue.

(a) A taxpayer claiming a credit under this Act shall submit to the Department of Revenue a copy of the Director's certificate of verification under this Act for the taxable year. However, failure to submit a copy of the certificate with the taxpayer's tax return shall not invalidate a claim for a credit.

(b) For a taxpayer to be eligible for a certificate of verification, the taxpayer shall provide proof as required by the Department, prior to the end of each calendar year, including, but not limited to, attestation by the taxpayer that:

(1) The project has achieved the level of new employee jobs specified in the agreement.

(2) The project has achieved the level of annual payroll in Illinois specified in its agreement.

(3) The project has achieved the level of capital

improvements in Illinois specified in its agreement.

(4) The project has achieved and maintained carbon neutrality or one of the certifications specified in this Act.

Section 65. Certified payroll.

(a) Each contractor and subcontractor that is engaged in construction work on project facilities for a taxpayer who seeks to apply for a REV Construction Jobs credit shall:

(1) make and keep, for a period of 5 years from the date of the last payment made on a contract or subcontract for construction of facilities for a REV Illinois Project pursuant to an agreement, records of all laborers and other workers employed by the contractor or subcontractor on the project; the records shall include:

(A) the worker's name;

(B) the worker's address;

(C) the worker's telephone number, if available;

(D) the worker's social security number;

(E) the worker's classification or classifications;

(F) the worker's gross and net wages paid in each pay period;

(G) the worker's number of hours worked in each day;

(H) the worker's starting and ending times of work

each day;

(I) the worker's hourly wage rate; and

(J) the worker's hourly overtime wage rate; and

(2) no later than the 15th day of each calendar month, provide a certified payroll for the immediately preceding month to the taxpayer in charge of the project; within 5 business days after receiving the certified payroll, the Taxpayer shall file the certified payroll with the Department of Labor and the Department; a certified payroll must be filed for only those calendar months during which construction on the REV Illinois Project facilities has occurred; the certified payroll shall consist of a complete copy of the records identified in paragraph (1), but may exclude the starting and ending times of work each day; the certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that:

(A) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; and

(B) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor.

A general contractor is not prohibited from relying on a certified payroll of a lower-tier subcontractor, provided the

general contractor does not knowingly rely upon a subcontractor's false certification.

(b) Any contractor or subcontractor subject to this Section, and any officer, employee, or agent of such contractor or subcontractor whose duty as an officer, employee, or agent it is to file a certified payroll under this Section, who willfully fails to file such a certified payroll, on or before the date such certified payroll is required to be filed and any person who willfully files a false certified payroll as to any material fact is in violation of this Act and guilty of a Class A misdemeanor and may be enforced by the Illinois Department of Labor or the Department. The Attorney General shall represented the Illinois Department of Labor or the Department in the proceeding.

(c) The taxpayer in charge of the project shall keep the records submitted in accordance with this Section for a period of 5 years from the date of the last payment for work on a contract or subcontract for the project.

(d) The records submitted in accordance with this Section shall be considered public records, except an employee's address, telephone number, and social security number, which shall be redacted. The records shall be made publicly available in accordance with the Freedom of Information Act. The contractor or subcontractor shall submit reports to the Department of Labor electronically that meet the requirements of this subsection and shall share the information with the

Department to comply with the awarding of the REV Construction Jobs Credit. A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

(e) Upon 7 business days' notice, the contractor and each subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in paragraph (1) of this subsection to the Taxpayer in charge of the Project, its officers and agents, the Director of the Department of Labor and his/her deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

Section 70. Noncompliance; notice; assessment. If the Director determines that a taxpayer who has received a credit under this Act is not complying with the requirements of the agreement or all of the provisions of this Act, the Director shall provide notice to the taxpayer of the alleged noncompliance and allow the taxpayer a hearing under the provisions of the Illinois Administrative Procedure Act. If, after such notice and any hearing, the Director determines that a noncompliance exists, the Director shall issue to the Department of Revenue notice to that effect, stating the noncompliance date. If, during the term of an agreement, the taxpayer ceases operations at a project location that is the subject of that agreement with the intent to terminate

operations in the State, the Department and the Department of Revenue shall recapture from the taxpayer the entire credit amount awarded under that agreement prior to the date the taxpayer ceases operations. The Department shall, subject to appropriation, reallocate the recaptured amounts within 6 months to the local workforce investment area in which the project was located for purposes of workforce development, expanded opportunities for unemployed persons, and expanded opportunities for women and minority persons in the workforce. The taxpayer will be ineligible for future funding under other State tax credit or exemption programs for a 36-month period. Noncompliance of the agreement with result in a default of other agreements for State tax credits and exemption programs for the project.

Section 75. Annual report.

(a) On or before July 1 each year, the Department shall submit a report on the tax credit program under this Act to the Governor and the General Assembly. The report shall include information on the number of agreements that were entered into under this Act during the preceding calendar year, a description of the project that is the subject of each agreement, an update on the status of projects under agreements entered into before the preceding calendar year, and the sum of the credits awarded under this Act. A copy of the report shall be delivered to the Governor and to each

member of the General Assembly.

(b) The report must include, for each agreement:

(1) the original estimates of the value of the credit and the number of new employee jobs to be created and, if applicable, the number of retained employee jobs;

(2) any relevant modifications to existing agreements;

(3) a statement of the progress made by each taxpayer in meeting the terms of the original agreement;

(4) a statement of wages paid to new employees and, if applicable, retained employees in the State; and

(5) a copy of the original agreement or link to the agreement on the Department's website.

Section 80. Evaluation of tax credit program. The Department shall evaluate the tax credit program every three years and issue a report. The evaluation shall include an assessment of the effectiveness of the program in creating new jobs in Illinois and of the revenue impact of the program and may include a review of the practices and experiences of other states with similar programs. The Director shall submit a report on the evaluation to the Governor and the General Assembly three years after the Effective Date of the Act and every three years thereafter.

Section 85. Sunset of new agreements. The Department shall not enter into any new Agreements under the provisions of this

Act after December 31, 2027.

Section 90. Prioritization of project review with the Department of Transportation. A project that would directly assist in the feasibility of locating an electric vehicle manufacturing facility, component parts manufacturing facility, or electric vehicle power supply manufacturing facility may be prioritized by the Secretary of Transportation if: (i) such project is included in the Highway Improvement Program; and (ii) the company will operate the facility that was approved to receive a REV Construction Jobs credit or a REV Illinois credit. Under no circumstances should a project be prioritized if it would compromise the delivery of a project to remediate an immediate threat to safety.

Section 95. Utility tax exemptions for REV Illinois Project sites. The Department may certify a taxpayer with a REV Illinois credit for a Project that meets the qualifications under Section paragraphs (1), (2), and (4) of subsection (c) of Section 20, subject to an agreement under this Act for an exemption from the tax imposed at the project site by Section 2-4 of the Electricity Excise Tax Law. To receive such certification, the taxpayer must be registered to self-assess that tax. The taxpayer is also exempt from any additional charges added to the taxpayer's utility bills at the project site as a pass-on of State utility taxes under

Section 9-222 of the Public Utilities Act. The taxpayer must meet any other the criteria for certification set by the Department.

The Department shall determine the period during which the exemption from the Electricity Excise Tax Law and the charges imposed under Section 9-222 of the Public Utilities Act are in effect, which shall not exceed 10 years from the date of the taxpayer's initial receipt of certification from the Department under this Section.

The Department is authorized to adopt rules to carry out the provisions of this Section, including procedures to apply for the exemptions; to define the amounts and types of eligible investments that an applicant must make in order to receive electricity excise tax exemptions or exemptions from the additional charges imposed under Section 9-222 and the Public Utilities Act; to approve such electricity excise tax exemptions for applicants whose investments are not yet placed in service; and to require that an applicant granted an electricity excise tax exemption or an exemption from additional charges under Section 9-222 of the Public Utilities Act repay the exempted amount if the Applicant fails to comply with the terms and conditions of the agreement.

Upon certification by the Department under this Section, the Department shall notify the Department of Revenue of the certification. The Department of Revenue shall notify the public utilities of the exempt status of any taxpayer

certified for exemption under this Act from the electricity excise tax or pass-on charges. The exemption status shall take effect within 3 months after certification of the taxpayer and notice to the Department of Revenue by the Department.

Section 100. Investment tax credits for REV Illinois Projects. Subject to the conditions set forth in this Act, a Taxpayer is entitled to an investment tax credit toward taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for a taxable year in which the Taxpayer, in accordance with an Agreement under this Act for that taxable year, invests in qualified property which is placed in service at the site of a REV Illinois Project. The Department has authority to certify the amount of such investment tax credits to the Department of Revenue. The credit shall be 0.5% of the basis for such property and shall be determined in accordance with Section 237 of the Illinois Income Tax Act. The credit shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act to below zero. Unused credit may be carried forward in accordance with Section 237 of the Illinois Income Tax Act for use in future taxable years. Any taxpayer qualifying for the REV Illinois Investment Tax Credit shall not be eligible for either the

investment tax credits in Section 201(e), (f), or (h) of the Illinois Income Tax Act.

Section 105. Building materials exemptions for REV Illinois Project sites.

(a) The Department may certify a Taxpayer with a REV Illinois Project that meets the qualifications under paragraphs (1), (2), or (4) of subsection (c) of Section 20, subject to an agreement under this Act, for an exemption from any State or local use tax or retailers' occupation tax on building materials for the construction of its project facilities. The taxpayer must meet any criteria for certification set by the Department under this Act.

The Department shall determine the period during which the exemption from State and local use tax and retailers' occupation tax are in effect, but in no event shall exceed 5 years in accordance with Section 5m of the Retailers' Occupation Tax Act.

The Department is authorized to promulgate rules and regulations to carry out the provisions of this Section, including procedures to apply for the exemption; to define the amounts and types of eligible investments that an applicant must make in order to receive tax exemption; to approve such tax exemption for an applicant whose investments are not yet placed in service; and to require that an applicant granted exemption repay the exempted amount if the applicant fails to

comply with the terms and conditions of the agreement with the Department.

Upon certification by the Department under this Section, the Department shall notify the Department of Revenue of the certification. The exemption status shall take effect within 3 months after certification of the taxpayer and notice to the Department of Revenue by the Department.

Section 900. The Illinois Procurement Code is amended by adding Section 45-100 as follows:

(30 ILCS 500/45-100 new)

Sec. 45-100. Electric vehicles. For purposes of this Section, "electric vehicle" means a vehicle that is exclusively powered by and refueled by electricity, must be plugged in to charge or utilize a pre-charged battery, and is permitted to operate on public roadways. "Electric vehicle" does not include hybrid electric vehicles and extended-range electric vehicles that are also equipped with conventional fueled propulsion or auxiliary engines. For purposes of this section, "Manufactured in Illinois" means, in the case of electric vehicles, that design, final assembly, processing, packaging, testing, or other process that adds value, quality, or reliability occurs in Illinois.

In awarding contracts requiring the procurement of electric vehicles, preference shall be given to an otherwise

qualified bidder or offeror who will fulfill the contract through the use of electric vehicles manufactured in Illinois. Specifications for contracts for electric vehicles shall include a price preference of 20% for electric vehicles manufactured in Illinois. The purchasing agency may require additional information from bidders or offerors to verify whether an electric vehicle is manufactured in Illinois as defined by this Section.

Section 905. The Illinois Income Tax Act is amended by changing Sections 207 and 704A and by adding Sections 236 and 237 as follows:

(35 ILCS 5/207) (from Ch. 120, par. 2-207)

Sec. 207. Net Losses.

(a) If after applying all of the (i) modifications provided for in paragraph (2) of Section 203(b), paragraph (2) of Section 203(c) and paragraph (2) of Section 203(d) and (ii) the allocation and apportionment provisions of Article 3 of this Act and subsection (c) of this Section, the taxpayer's net income results in a loss;

(1) for any taxable year ending prior to December 31, 1999, such loss shall be allowed as a carryover or carryback deduction in the manner allowed under Section 172 of the Internal Revenue Code;

(2) for any taxable year ending on or after December

31, 1999 and prior to December 31, 2003, such loss shall be allowed as a carryback to each of the 2 taxable years preceding the taxable year of such loss and shall be a net operating loss carryover to each of the 20 taxable years following the taxable year of such loss; ~~and~~

(3) for any taxable year ending on or after December 31, 2003 and prior to December 31, 2021, such loss shall be allowed as a net operating loss carryover to each of the 12 taxable years following the taxable year of such loss, except as provided in subsection (d); ~~and~~.

(4) for any taxable year ending on or after December 31, 2021, and for any net loss incurred in a taxable year prior to a taxable year ending on or after December 31, 2021 for which the statute of limitation for utilization of such net loss has not expired, such loss shall be allowed as a net operating loss carryover to each of the 20 taxable years following the taxable year of such loss, except as provided in subsection (d).

(a-5) Election to relinquish carryback and order of application of losses.

(A) For losses incurred in tax years ending prior to December 31, 2003, the taxpayer may elect to relinquish the entire carryback period with respect to such loss. Such election shall be made in the form and manner prescribed by the Department and shall be made by the due date (including extensions of time) for

filing the taxpayer's return for the taxable year in which such loss is incurred, and such election, once made, shall be irrevocable.

(B) The entire amount of such loss shall be carried to the earliest taxable year to which such loss may be carried. The amount of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the deductions for carryback or carryover of such loss allowable for each of the prior taxable years to which such loss may be carried.

(b) Any loss determined under subsection (a) of this Section must be carried back or carried forward in the same manner for purposes of subsections (a) and (b) of Section 201 of this Act as for purposes of subsections (c) and (d) of Section 201 of this Act.

(c) Notwithstanding any other provision of this Act, for each taxable year ending on or after December 31, 2008, for purposes of computing the loss for the taxable year under subsection (a) of this Section and the deduction taken into account for the taxable year for a net operating loss carryover under paragraphs (1), (2), and (3) of subsection (a) of this Section, the loss and net operating loss carryover shall be reduced in an amount equal to the reduction to the net operating loss and net operating loss carryover to the taxable year, respectively, required under Section 108(b)(2)(A) of the

Internal Revenue Code, multiplied by a fraction, the numerator of which is the amount of discharge of indebtedness income that is excluded from gross income for the taxable year (but only if the taxable year ends on or after December 31, 2008) under Section 108(a) of the Internal Revenue Code and that would have been allocated and apportioned to this State under Article 3 of this Act but for that exclusion, and the denominator of which is the total amount of discharge of indebtedness income excluded from gross income under Section 108(a) of the Internal Revenue Code for the taxable year. The reduction required under this subsection (c) shall be made after the determination of Illinois net income for the taxable year in which the indebtedness is discharged.

(d) In the case of a corporation (other than a Subchapter S corporation), no carryover deduction shall be allowed under this Section for any taxable year ending after December 31, 2010 and prior to December 31, 2012, and no carryover deduction shall exceed \$100,000 for any taxable year ending on or after December 31, 2012 and prior to December 31, 2014 and for any taxable year ending on or after December 31, 2021 and prior to December 31, 2024; provided that, for purposes of determining the taxable years to which a net loss may be carried under subsection (a) of this Section, no taxable year for which a deduction is disallowed under this subsection, or for which the deduction would exceed \$100,000 if not for this subsection, shall be counted.

(e) In the case of a residual interest holder in a real estate mortgage investment conduit subject to Section 860E of the Internal Revenue Code, the net loss in subsection (a) shall be equal to:

(1) the amount computed under subsection (a), without regard to this subsection (e), or if that amount is positive, zero;

(2) minus an amount equal to the amount computed under subsection (a), without regard to this subsection (e), minus the amount that would be computed under subsection (a) if the taxpayer's federal taxable income were computed without regard to Section 860E of the Internal Revenue Code and without regard to this subsection (e).

The modification in this subsection (e) is exempt from the provisions of Section 250.

(Source: P.A. 102-16, eff. 6-17-21.)

(35 ILCS 5/236 new)

Sec. 236. Reimagining Electric Vehicles in Illinois Tax credits.

(a) For tax years beginning on or after January 1, 2025, a taxpayer who has entered into an agreement under the Reimagining Electric Vehicles in Illinois Act is entitled to a credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act in an amount to be determined in the Agreement. The taxpayer may elect to claim the credit, on or

after January 1, 2025, against its obligation to pay over withholding under Section 704A of this Act as provided in paragraph (6) of subsection (b). If the taxpayer is a partnership or Subchapter S corporation, the credit shall be allowed to the partners or shareholders in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code. The Department, in cooperation with the Department of Commerce and Economic Opportunity, shall adopt rules to enforce and administer the provisions of this Section. This Section is exempt from the provisions of Section 250 of this Act.

(b) The credit is subject to the conditions set forth in the agreement and the following limitations:

(1) The tax credit may be in the form of either or both the REV Illinois Credit or the REV Construction Jobs Credit (as defined in the Reimagining Electric Vehicles in Illinois Act) and shall not exceed the percentage of incremental income tax and percentage of training costs permitted in that Act and in the agreement with respect to the project.

(2) The amount of the credit allowed during a tax year plus the sum of all amounts allowed in prior tax years shall not exceed the maximum amount of credit established in the agreement.

(3) The amount of the credit shall be determined on an

annual basis. Except as applied in a carryover year pursuant to paragraph (4), the credit may not be applied against any State income tax liability in more than 15 taxable years.

(4) The credit may not exceed the amount of taxes imposed pursuant to subsections (a) and (b) of Section 201 of this Act. Any credit that is unused in the year the credit is computed may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one tax year that are available to offset a liability, the earlier credit shall be applied first.

(5) No credit shall be allowed with respect to any agreement for any taxable year ending after the noncompliance date. Upon receiving notification by the Department of Commerce and Economic Opportunity of the noncompliance of a taxpayer with an agreement, the Department shall notify the taxpayer that no credit is allowed with respect to that agreement for any taxable year ending after the noncompliance date, as stated in such notification. If any credit has been allowed with respect to an agreement for a taxable year ending after the noncompliance date for that agreement, any refund paid to the taxpayer for that taxable year shall, to the extent

of that credit allowed, be an erroneous refund within the meaning of Section 912 of this Act.

If, during any taxable year, a taxpayer ceases operations at a project location that is the subject of that agreement with the intent to terminate operations in the State, the tax imposed under subsections (a) and (b) of Section 201 of this Act for such taxable year shall be increased by the amount of any credit allowed under the Agreement for that Project location prior to the date the Taxpayer ceases operations.

(6) Instead of claiming the credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act, with respect to the portion of a REV Illinois Credit that is calculated based on the Incremental Income Tax attributable to new employees and retained employees, the taxpayer may elect, in accordance with the Reimagining Electric Vehicles in Illinois Act, to claim the credit, on or after January 1, 2025, against its obligation to pay over withholding under Section 704A of the Illinois Income Tax Act. Any credit for which a Taxpayer makes such an election shall not be claimed against the taxes imposed under subsections (a) and (b) of Section 201 of this Act.

(35 ILCS 5/237 new)

Sec. 237. REV Illinois Investment Tax credits.

(a) For tax years beginning on or after the effective date

of this amendatory Act of the 102nd General Assembly, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of Section 201 for investment in qualified property which is placed in service at the site of a REV Illinois Project subject to an agreement between the taxpayer and the Department of Commerce and Economic Opportunity pursuant to the Reimagining Electric Vehicles in Illinois Act. For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. The credit shall be 0.5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of Section 201 to below zero. The credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the

earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(b) The term qualified property means property which:

(1) is tangible, whether new or used, including buildings and structural components of buildings;

(2) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this Section;

(3) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(4) is used at the site of the REV Illinois Project by the taxpayer; and

(5) has not been previously used in Illinois in such a manner and by such a person as would qualify for the credit provided by this Section.

(c) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(d) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service at the site of the REV Illinois Project by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(e) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(f) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved from the REV Illinois Project site within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of Section 201 for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this subsection (f), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(35 ILCS 5/704A)

Sec. 704A. Employer's return and payment of tax withheld.

(a) In general, every employer who deducts and withholds or is required to deduct and withhold tax under this Act on or after January 1, 2008 shall make those payments and returns as provided in this Section.

(b) Returns. Every employer shall, in the form and manner

required by the Department, make returns with respect to taxes withheld or required to be withheld under this Article 7 for each quarter beginning on or after January 1, 2008, on or before the last day of the first month following the close of that quarter.

(c) Payments. With respect to amounts withheld or required to be withheld on or after January 1, 2008:

(1) Semi-weekly payments. For each calendar year, each employer who withheld or was required to withhold more than \$12,000 during the one-year period ending on June 30 of the immediately preceding calendar year, payment must be made:

(A) on or before each Friday of the calendar year, for taxes withheld or required to be withheld on the immediately preceding Saturday, Sunday, Monday, or Tuesday;

(B) on or before each Wednesday of the calendar year, for taxes withheld or required to be withheld on the immediately preceding Wednesday, Thursday, or Friday.

Beginning with calendar year 2011, payments made under this paragraph (1) of subsection (c) must be made by electronic funds transfer.

(2) Semi-weekly payments. Any employer who withholds or is required to withhold more than \$12,000 in any quarter of a calendar year is required to make payments on

the dates set forth under item (1) of this subsection (c) for each remaining quarter of that calendar year and for the subsequent calendar year.

(3) Monthly payments. Each employer, other than an employer described in items (1) or (2) of this subsection, shall pay to the Department, on or before the 15th day of each month the taxes withheld or required to be withheld during the immediately preceding month.

(4) Payments with returns. Each employer shall pay to the Department, on or before the due date for each return required to be filed under this Section, any tax withheld or required to be withheld during the period for which the return is due and not previously paid to the Department.

(d) Regulatory authority. The Department may, by rule:

(1) Permit employers, in lieu of the requirements of subsections (b) and (c), to file annual returns due on or before January 31 of the year for taxes withheld or required to be withheld during the previous calendar year and, if the aggregate amounts required to be withheld by the employer under this Article 7 (other than amounts required to be withheld under Section 709.5) do not exceed \$1,000 for the previous calendar year, to pay the taxes required to be shown on each such return no later than the due date for such return.

(2) Provide that any payment required to be made under subsection (c)(1) or (c)(2) is deemed to be timely to the

extent paid by electronic funds transfer on or before the due date for deposit of federal income taxes withheld from, or federal employment taxes due with respect to, the wages from which the Illinois taxes were withheld.

(3) Designate one or more depositories to which payment of taxes required to be withheld under this Article 7 must be paid by some or all employers.

(4) Increase the threshold dollar amounts at which employers are required to make semi-weekly payments under subsection (c)(1) or (c)(2).

(e) Annual return and payment. Every employer who deducts and withholds or is required to deduct and withhold tax from a person engaged in domestic service employment, as that term is defined in Section 3510 of the Internal Revenue Code, may comply with the requirements of this Section with respect to such employees by filing an annual return and paying the taxes required to be deducted and withheld on or before the 15th day of the fourth month following the close of the employer's taxable year. The Department may allow the employer's return to be submitted with the employer's individual income tax return or to be submitted with a return due from the employer under Section 1400.2 of the Unemployment Insurance Act.

(f) Magnetic media and electronic filing. With respect to taxes withheld in calendar years prior to 2017, any W-2 Form that, under the Internal Revenue Code and regulations promulgated thereunder, is required to be submitted to the

Internal Revenue Service on magnetic media or electronically must also be submitted to the Department on magnetic media or electronically for Illinois purposes, if required by the Department.

With respect to taxes withheld in 2017 and subsequent calendar years, the Department may, by rule, require that any return (including any amended return) under this Section and any W-2 Form that is required to be submitted to the Department must be submitted on magnetic media or electronically.

The due date for submitting W-2 Forms shall be as prescribed by the Department by rule.

(g) For amounts deducted or withheld after December 31, 2009, a taxpayer who makes an election under subsection (f) of Section 5-15 of the Economic Development for a Growing Economy Tax Credit Act for a taxable year shall be allowed a credit against payments due under this Section for amounts withheld during the first calendar year beginning after the end of that taxable year equal to the amount of the credit for the incremental income tax attributable to full-time employees of the taxpayer awarded to the taxpayer by the Department of Commerce and Economic Opportunity under the Economic Development for a Growing Economy Tax Credit Act for the taxable year and credits not previously claimed and allowed to be carried forward under Section 211(4) of this Act as provided in subsection (f) of Section 5-15 of the Economic Development for a Growing Economy Tax Credit Act. The credit

or credits may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit or credits exceeds the total payments due under this Section with respect to amounts withheld during the calendar year, the excess may be carried forward and applied against the taxpayer's liability under this Section in the succeeding calendar years as allowed to be carried forward under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one taxable year that are available to offset a liability, the earlier credit shall be applied first. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings under subsection (f) of Section 5-15 of the Economic Development for a Growing Economy Tax Credit Act must make a return with respect to such taxes and retained amounts in the form and manner that the Department, by rule, requires and pay to the Department or to a depository designated by the Department those withheld taxes not retained by the taxpayer. For purposes of this subsection (g), the term taxpayer shall include taxpayer and members of the taxpayer's unitary business group as defined under paragraph (27) of subsection (a) of Section 1501 of this Act. This Section is exempt from the provisions of Section 250 of this Act. No credit awarded under the Economic Development for a Growing Economy Tax

Credit Act for agreements entered into on or after January 1, 2015 may be credited against payments due under this Section.

(g-1) For amounts deducted or withheld after December 31, 2024, a taxpayer who makes an election under the Reimagining Electric Vehicles in Illinois Act shall be allowed a credit against payments due under this Section for amounts withheld during the first quarterly reporting period beginning after the certificate is issued equal to the portion of the REV Illinois Credit attributable to the incremental income tax attributable to new employees and retained employees as certified by the Department of Commerce and Economic Opportunity pursuant to an agreement with the taxpayer under the Reimagining Electric Vehicles in Illinois Act for the taxable year. The credit or credits may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit or credits exceeds the total payments due under this Section with respect to amounts withheld during the quarterly reporting period, the excess may be carried forward and applied against the taxpayer's liability under this Section in the succeeding quarterly reporting period as allowed to be carried forward under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest quarterly reporting period for which there is a tax liability. If there are credits from more than one quarterly reporting period that are available to offset a liability, the earlier credit shall be

applied first. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings this subsection must make a return with respect to such taxes and retained amounts in the form and manner that the Department, by rule, requires and pay to the Department or to a depository designated by the Department those withheld taxes not retained by the taxpayer. For purposes of this subsection (g-1), the term taxpayer shall include taxpayer and members of the taxpayer's unitary business group as defined under paragraph (27) of subsection (a) of Section 1501 of this Act. This Section is exempt from the provisions of Section 250 of this Act.

(h) An employer may claim a credit against payments due under this Section for amounts withheld during the first calendar year ending after the date on which a tax credit certificate was issued under Section 35 of the Small Business Job Creation Tax Credit Act. The credit shall be equal to the amount shown on the certificate, but may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit exceeds the total payments due under this Section with respect to amounts withheld during the calendar year, the excess may be carried forward and applied against the taxpayer's liability under this Section in the 5 succeeding calendar years. The credit shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one calendar

year that are available to offset a liability, the earlier credit shall be applied first. This Section is exempt from the provisions of Section 250 of this Act.

(i) Each employer with 50 or fewer full-time equivalent employees during the reporting period may claim a credit against the payments due under this Section for each qualified employee in an amount equal to the maximum credit allowable. The credit may be taken against payments due for reporting periods that begin on or after January 1, 2020, and end on or before December 31, 2027. An employer may not claim a credit for an employee who has worked fewer than 90 consecutive days immediately preceding the reporting period; however, such credits may accrue during that 90-day period and be claimed against payments under this Section for future reporting periods after the employee has worked for the employer at least 90 consecutive days. In no event may the credit exceed the employer's liability for the reporting period. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings under this subsection must make a return with respect to such taxes and retained amounts in the form and manner that the Department, by rule, requires and pay to the Department or to a depository designated by the Department those withheld taxes not retained by the employer.

For each reporting period, the employer may not claim a credit or credits for more employees than the number of

employees making less than the minimum or reduced wage for the current calendar year during the last reporting period of the preceding calendar year. Notwithstanding any other provision of this subsection, an employer shall not be eligible for credits for a reporting period unless the average wage paid by the employer per employee for all employees making less than \$55,000 during the reporting period is greater than the average wage paid by the employer per employee for all employees making less than \$55,000 during the same reporting period of the prior calendar year.

For purposes of this subsection (i):

"Compensation paid in Illinois" has the meaning ascribed to that term under Section 304(a)(2)(B) of this Act.

"Employer" and "employee" have the meaning ascribed to those terms in the Minimum Wage Law, except that "employee" also includes employees who work for an employer with fewer than 4 employees. Employers that operate more than one establishment pursuant to a franchise agreement or that constitute members of a unitary business group shall aggregate their employees for purposes of determining eligibility for the credit.

"Full-time equivalent employees" means the ratio of the number of paid hours during the reporting period and the number of working hours in that period.

"Maximum credit" means the percentage listed below of the difference between the amount of compensation paid in Illinois

to employees who are paid not more than the required minimum wage reduced by the amount of compensation paid in Illinois to employees who were paid less than the current required minimum wage during the reporting period prior to each increase in the required minimum wage on January 1. If an employer pays an employee more than the required minimum wage and that employee previously earned less than the required minimum wage, the employer may include the portion that does not exceed the required minimum wage as compensation paid in Illinois to employees who are paid not more than the required minimum wage.

(1) 25% for reporting periods beginning on or after January 1, 2020 and ending on or before December 31, 2020;

(2) 21% for reporting periods beginning on or after January 1, 2021 and ending on or before December 31, 2021;

(3) 17% for reporting periods beginning on or after January 1, 2022 and ending on or before December 31, 2022;

(4) 13% for reporting periods beginning on or after January 1, 2023 and ending on or before December 31, 2023;

(5) 9% for reporting periods beginning on or after January 1, 2024 and ending on or before December 31, 2024;

(6) 5% for reporting periods beginning on or after January 1, 2025 and ending on or before December 31, 2025.

The amount computed under this subsection may continue to be claimed for reporting periods beginning on or after January 1, 2026 and:

(A) ending on or before December 31, 2026 for employers with more than 5 employees; or

(B) ending on or before December 31, 2027 for employers with no more than 5 employees.

"Qualified employee" means an employee who is paid not more than the required minimum wage and has an average wage paid per hour by the employer during the reporting period equal to or greater than his or her average wage paid per hour by the employer during each reporting period for the immediately preceding 12 months. A new qualified employee is deemed to have earned the required minimum wage in the preceding reporting period.

"Reporting period" means the quarter for which a return is required to be filed under subsection (b) of this Section.

(Source: P.A. 100-303, eff. 8-24-17; 100-511, eff. 9-18-17; 100-863, eff. 8-14-18; 101-1, eff. 2-19-19.)

Section 910. The Retailers' Occupation Tax Act is amended by adding Section 5m as follows:

(35 ILCS 120/5m new)

Sec. 5m. Building materials exemption; electric vehicle manufacturer, electric vehicle component parts manufacturer, and electric vehicle power supply manufacturer. Each retailer who makes a sale of building materials that will be incorporated into real estate in an electric vehicle

manufacturing facility, an electric vehicle component parts manufacturing facility, or an electric vehicle power supply manufacturing facility REV Illinois Project which meets the qualifications under paragraphs (1), (2), or (4) of subsection (c) of Section 20 of the Reimagining Electric Vehicles in Illinois Act for which a certificate of exemption has been issued by the Department of Commerce and Economic Opportunity under the Reimagining Electric Vehicles in Illinois Act, may deduct receipts from such sales when calculating any State or local use and occupation taxes. No retailer who is eligible for the deduction or credit under Section 5k of this Act related to enterprise zones or Section 5l of this Act related to High Impact Businesses for a given sale shall be eligible for the deduction or credit authorized under this Section for that same sale.

In addition to any other requirements to document the exemption allowed under this Section, the retailer must obtain from the purchaser's REV Illinois Building Materials Exemption certificate number issued by the Department. A construction contractor or other entity shall not make tax-free purchases unless it has an active REV Illinois Building Materials Exemption Certificate issued by the Department at the time of purchase.

Upon request from the electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer certified by the Department

of Commerce and Economic Opportunity under REV Illinois Act, the Department shall issue a REV Illinois Building Materials Exemption Certificate for each construction contractor or other entity identified by the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer. The Department shall make the REV Illinois Building Materials Exemption Certificates available to each construction contractor or other entity and the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer. The request for REV Illinois Building Materials Exemption Certificates from the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer to the Department must include the following information:

(1) the name and address of the construction contractor or other entity;

(2) the name and location or address of the building project site;

(3) the estimated amount of the exemption for each construction contractor or other entity for which a request for a REV Illinois Building Materials Exemption Certificate is made, based on a stated estimated average tax rate and the percentage of the contract that consists of materials;

(4) the period of time over which supplies for the project are expected to be purchased; and

(5) other reasonable information as the Department may require, including but not limited to FEIN numbers, to determine if the contractor or other entity, or any partner, or a corporate officer, and in the case of a limited liability company, any manager or member, of the construction contractor or other entity, is or has been the owner, a partner, a corporate officer, and in the case of a limited liability company, a manager or member, of a person that is in default for moneys due to the Department under this Act or any other tax or fee Act administered by the Department.

The Department shall issue the REV Illinois Building Materials Exemption Certificates within 3 business days after receipt of request from the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer. This requirement does not apply in circumstances where the Department, for reasonable cause, is unable to issue the Exemption Certificate within 3 business days. The Department may refuse to issue a REV Illinois Building Materials Exemption Certificate if the owner, any partner, or a corporate officer, and in the case of a limited liability company, any manager or member, of the construction contractor or other entity is or has been the owner, a partner, a

corporate officer, and in the case of a limited liability company, a manager or member, of a person that is in default for moneys due to the Department under this Act or any other tax or fee Act administered by the Department.

The REV Illinois Building Materials Exemption Certificate shall contain language stating that if the construction contractor or other entity who is issued the Exemption Certificate makes a tax-exempt purchase, as described in this Section, that is not eligible for exemption under this Section or allows another person to make a tax-exempt purchase, as described in this Section, that is not eligible for exemption under this Section, then, in addition to any tax or other penalty imposed, the construction contractor or other entity is subject to a penalty equal to the tax that would have been paid by the retailer under this Act as well as any applicable local retailers' occupation tax on the purchase that is not eligible for the exemption.

The Department, in its discretion, may require that the request for REV Illinois Building Materials Exemption Certificates be submitted electronically. The Department may, in its discretion, issue the Exemption Certificates electronically. The REV Illinois Building Materials Exemption Certificate number shall be designed in such a way that the Department can identify from the unique number on the Exemption Certificate issued to a given construction contractor or other entity, the name of the designated

electric vehicle manufacturing, electric vehicle component parts manufacturing, or electric vehicle power supply manufacturing site and the construction contractor or other entity to whom the Exemption Certificate is issued. The REV Illinois Building Materials Exemption Certificate shall contain an expiration date, which shall be no more than 5 years after the date of issuance. At the request of the designated certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer, the Department may renew a REV Illinois Building Materials Exemption Certificate. After the Department issues Exemption Certificates for a given designated electric vehicle manufacturing, electric vehicle component parts manufacturing, or electric vehicle power supply manufacturing site, the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer may notify the Department of additional construction contractors or other entities eligible for a REV Illinois Building Materials Exemption Certificate. Upon notification by the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer and subject to the other provisions of this Section, the Department shall issue a REV Illinois Building Materials Exemption Certificate to each additional construction contractor or other entity identified by the certified electric vehicle manufacturer, electric

vehicle component parts manufacturer, or electric vehicle power supply manufacturer. A certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer may notify the Department to rescind a REV Illinois Building Materials Exemption Certificate previously issued by the Department but that has not yet expired. Upon notification by the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer and subject to the other provisions of this Section, the Department shall issue the rescission of the REV Illinois Building Materials Exemption Certificate to the construction contractor or other entity identified by the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer and provide a copy to the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer.

If the Department of Revenue determines that a construction contractor or other entity that was issued an Exemption Certificate under this Section made a tax-exempt purchase, as described in this Section, that was not eligible for exemption under this Section or allowed another person to make a tax-exempt purchase, as described in this Section, that was not eligible for exemption under this Section, then, in addition to any tax or other penalty imposed, the construction

contractor or other entity is subject to a penalty equal to the tax that would have been paid by the retailer under this Act as well as any applicable local retailers' occupation tax on the purchase that was not eligible for the exemption.

This Section is exempt from the provisions of Section 2-70.

Section 915. The Property Tax Code is amended by adding Section 18-184.15 as follows:

(35 ILCS 200/18-184.15 new)

Sec. 18-184.15. REV Illinois project facilities for electric vehicles, electric vehicle component parts, or electric vehicle power supply equipment; abatement. Any taxing district, upon a majority vote of its governing body, may, after determination of the assessed value as set forth in this Code, order the clerk of the appropriate municipality or county to abate any portion of real property taxes otherwise levied or extended by the taxing district on a REV Illinois Project facility owned by an electric vehicle manufacturer, electric vehicle component parts manufacturer, or an electric vehicle power supply manufacturer that is subject to an agreement with the Department of Commerce and Economic Opportunity under Section 45 of the Reimagining Electric Vehicles in Illinois Act, during the period of time such agreement is in effect as specified by the Department of

Commerce and Economic Opportunity.

Section 920. The Telecommunications Excise Tax Act is amended by changing Section 2 as follows:

(35 ILCS 630/2) (from Ch. 120, par. 2002)

Sec. 2. As used in this Article, unless the context clearly requires otherwise:

(a) "Gross charge" means the amount paid for the act or privilege of originating or receiving telecommunications in this State and for all services and equipment provided in connection therewith by a retailer, valued in money whether paid in money or otherwise, including cash, credits, services and property of every kind or nature, and shall be determined without any deduction on account of the cost of such telecommunications, the cost of materials used, labor or service costs or any other expense whatsoever. In case credit is extended, the amount thereof shall be included only as and when paid. "Gross charges" for private line service shall include charges imposed at each channel termination point within this State, charges for the channel mileage between each channel termination point within this State, and charges for that portion of the interstate inter-office channel provided within Illinois. Charges for that portion of the interstate inter-office channel provided in Illinois shall be determined by the retailer as follows: (i) for interstate

inter-office channels having 2 channel termination points, only one of which is in Illinois, 50% of the total charge imposed; or (ii) for interstate inter-office channels having more than 2 channel termination points, one or more of which are in Illinois, an amount equal to the total charge multiplied by a fraction, the numerator of which is the number of channel termination points within Illinois and the denominator of which is the total number of channel termination points. Prior to January 1, 2004, any method consistent with this paragraph or other method that reasonably apportions the total charges for interstate inter-office channels among the states in which channel terminations points are located shall be accepted as a reasonable method to determine the charges for that portion of the interstate inter-office channel provided within Illinois for that period. However, "gross charges" shall not include any of the following:

- (1) Any amounts added to a purchaser's bill because of a charge made pursuant to (i) the tax imposed by this Article; (ii) charges added to customers' bills pursuant to the provisions of Sections 9-221 or 9-222 of the Public Utilities Act, as amended, or any similar charges added to customers' bills by retailers who are not subject to rate regulation by the Illinois Commerce Commission for the purpose of recovering any of the tax liabilities or other amounts specified in such provisions of such Act; (iii)

the tax imposed by Section 4251 of the Internal Revenue Code; (iv) 911 surcharges; or (v) the tax imposed by the Simplified Municipal Telecommunications Tax Act.

(2) Charges for a sent collect telecommunication received outside of the State.

(3) Charges for leased time on equipment or charges for the storage of data or information for subsequent retrieval or the processing of data or information intended to change its form or content. Such equipment includes, but is not limited to, the use of calculators, computers, data processing equipment, tabulating equipment or accounting equipment and also includes the usage of computers under a time-sharing agreement.

(4) Charges for customer equipment, including such equipment that is leased or rented by the customer from any source, wherein such charges are disaggregated and separately identified from other charges.

(5) Charges to business enterprises certified under Section 9-222.1 of the Public Utilities Act, as amended, or to electric vehicle manufacturers, electric vehicle component parts manufacturers, or electric vehicle power supply manufacturers at REV Illinois Project sites for which a certificate of exemption has been issued by the Department of Commerce and Economic Opportunity under Section 95 of the Reimagining Electric Vehicles in Illinois Act, to the extent of such exemption and during

the period of time specified by the Department of Commerce and Economic Opportunity.

(6) Charges for telecommunications and all services and equipment provided in connection therewith between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries when the tax imposed under this Article has already been paid to a retailer and only to the extent that the charges between the parent corporation and wholly owned subsidiaries or between wholly owned subsidiaries represent expense allocation between the corporations and not the generation of profit for the corporation rendering such service.

(7) Bad debts. Bad debt means any portion of a debt that is related to a sale at retail for which gross charges are not otherwise deductible or excludable that has become worthless or uncollectable, as determined under applicable federal income tax standards. If the portion of the debt deemed to be bad is subsequently paid, the retailer shall report and pay the tax on that portion during the reporting period in which the payment is made.

(8) Charges paid by inserting coins in coin-operated telecommunication devices.

(9) Amounts paid by telecommunications retailers under the Telecommunications Municipal Infrastructure Maintenance Fee Act.

(10) Charges for nontaxable services or

telecommunications if (i) those charges are aggregated with other charges for telecommunications that are taxable, (ii) those charges are not separately stated on the customer bill or invoice, and (iii) the retailer can reasonably identify the nontaxable charges on the retailer's books and records kept in the regular course of business. If the nontaxable charges cannot reasonably be identified, the gross charge from the sale of both taxable and nontaxable services or telecommunications billed on a combined basis shall be attributed to the taxable services or telecommunications. The burden of proving nontaxable charges shall be on the retailer of the telecommunications.

(b) "Amount paid" means the amount charged to the taxpayer's service address in this State regardless of where such amount is billed or paid.

(c) "Telecommunications", in addition to the meaning ordinarily and popularly ascribed to it, includes, without limitation, messages or information transmitted through use of local, toll and wide area telephone service; private line services; channel services; telegraph services; teletypewriter; computer exchange services; cellular mobile telecommunications service; specialized mobile radio; stationary two way radio; paging service; or any other form of mobile and portable one-way or two-way communications; or any other transmission of messages or information by electronic or

similar means, between or among points by wire, cable, fiber-optics, laser, microwave, radio, satellite or similar facilities. As used in this Act, "private line" means a dedicated non-traffic sensitive service for a single customer, that entitles the customer to exclusive or priority use of a communications channel or group of channels, from one or more specified locations to one or more other specified locations. The definition of "telecommunications" shall not include value added services in which computer processing applications are used to act on the form, content, code and protocol of the information for purposes other than transmission. "Telecommunications" shall not include purchases of telecommunications by a telecommunications service provider for use as a component part of the service provided by him to the ultimate retail consumer who originates or terminates the taxable end-to-end communications. Carrier access charges, right of access charges, charges for use of inter-company facilities, and all telecommunications resold in the subsequent provision of, used as a component of, or integrated into end-to-end telecommunications service shall be non-taxable as sales for resale.

(d) "Interstate telecommunications" means all telecommunications that either originate or terminate outside this State.

(e) "Intrastate telecommunications" means all telecommunications that originate and terminate within this

State.

(f) "Department" means the Department of Revenue of the State of Illinois.

(g) "Director" means the Director of Revenue for the Department of Revenue of the State of Illinois.

(h) "Taxpayer" means a person who individually or through his agents, employees or permittees engages in the act or privilege of originating or receiving telecommunications in this State and who incurs a tax liability under this Article.

(i) "Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian or other representative appointed by order of any court, the Federal and State governments, including State universities created by statute or any city, town, county or other political subdivision of this State.

(j) "Purchase at retail" means the acquisition, consumption or use of telecommunication through a sale at retail.

(k) "Sale at retail" means the transmitting, supplying or furnishing of telecommunications and all services and equipment provided in connection therewith for a consideration to persons other than the Federal and State governments, and State universities created by statute and other than between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries for their use or consumption

and not for resale.

(l) "Retailer" means and includes every person engaged in the business of making sales at retail as defined in this Article. The Department may, in its discretion, upon application, authorize the collection of the tax hereby imposed by any retailer not maintaining a place of business within this State, who, to the satisfaction of the Department, furnishes adequate security to insure collection and payment of the tax. Such retailer shall be issued, without charge, a permit to collect such tax. When so authorized, it shall be the duty of such retailer to collect the tax upon all of the gross charges for telecommunications in this State in the same manner and subject to the same requirements as a retailer maintaining a place of business within this State. The permit may be revoked by the Department at its discretion.

(m) "Retailer maintaining a place of business in this State", or any like term, means and includes any retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution facilities, transmission facilities, sales office, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State.

(n) "Service address" means the location of telecommunications equipment from which the telecommunications services are originated or at which telecommunications services are received by a taxpayer. In the event this may not be a defined location, as in the case of mobile phones, paging systems, maritime systems, service address means the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. For air-to-ground systems and the like, service address shall mean the location of a taxpayer's primary use of the telecommunications equipment as defined by telephone number, authorization code, or location in Illinois where bills are sent.

(o) "Prepaid telephone calling arrangements" mean the right to exclusively purchase telephone or telecommunications services that must be paid for in advance and enable the origination of one or more intrastate, interstate, or international telephone calls or other telecommunications using an access number, an authorization code, or both, whether manually or electronically dialed, for which payment to a retailer must be made in advance, provided that, unless recharged, no further service is provided once that prepaid amount of service has been consumed. Prepaid telephone calling arrangements include the recharge of a prepaid calling arrangement. For purposes of this subsection, "recharge" means the purchase of additional prepaid telephone or telecommunications services whether or not the purchaser

acquires a different access number or authorization code. "Prepaid telephone calling arrangement" does not include an arrangement whereby a customer purchases a payment card and pursuant to which the service provider reflects the amount of such purchase as a credit on an invoice issued to that customer under an existing subscription plan.

(Source: P.A. 93-286, 1-1-04; 94-793, eff. 5-19-06.)

Section 925. The Electricity Excise Tax Law is amended by changing Section 2-4 as follows:

(35 ILCS 640/2-4)

Sec. 2-4. Tax imposed.

(a) Except as provided in subsection (b), a tax is imposed on the privilege of using in this State electricity purchased for use or consumption and not for resale, other than by municipal corporations owning and operating a local transportation system for public service, at the following rates per kilowatt-hour delivered to the purchaser:

(i) For the first 2000 kilowatt-hours used or consumed in a month: 0.330 cents per kilowatt-hour;

(ii) For the next 48,000 kilowatt-hours used or consumed in a month: 0.319 cents per kilowatt-hour;

(iii) For the next 50,000 kilowatt-hours used or consumed in a month: 0.303 cents per kilowatt-hour;

(iv) For the next 400,000 kilowatt-hours used or

consumed in a month: 0.297 cents per kilowatt-hour;

(v) For the next 500,000 kilowatt-hours used or consumed in a month: 0.286 cents per kilowatt-hour;

(vi) For the next 2,000,000 kilowatt-hours used or consumed in a month: 0.270 cents per kilowatt-hour;

(vii) For the next 2,000,000 kilowatt-hours used or consumed in a month: 0.254 cents per kilowatt-hour;

(viii) For the next 5,000,000 kilowatt-hours used or consumed in a month: 0.233 cents per kilowatt-hour;

(ix) For the next 10,000,000 kilowatt-hours used or consumed in a month: 0.207 cents per kilowatt-hour;

(x) For all electricity in excess of 20,000,000 kilowatt-hours used or consumed in a month: 0.202 cents per kilowatt-hour.

Provided, that in lieu of the foregoing rates, the tax is imposed on a self-assessing purchaser at the rate of 5.1% of the self-assessing purchaser's purchase price for all electricity distributed, supplied, furnished, sold, transmitted and delivered to the self-assessing purchaser in a month.

(b) A tax is imposed on the privilege of using in this State electricity purchased from a municipal system or electric cooperative, as defined in Article XVII of the Public Utilities Act, which has not made an election as permitted by either Section 17-200 or Section 17-300 of such Act, at the lesser of 0.32 cents per kilowatt hour of all electricity

distributed, supplied, furnished, sold, transmitted, and delivered by such municipal system or electric cooperative to the purchaser or 5% of each such purchaser's purchase price for all electricity distributed, supplied, furnished, sold, transmitted, and delivered by such municipal system or electric cooperative to the purchaser, whichever is the lower rate as applied to each purchaser in each billing period.

(c) The tax imposed by this Section 2-4 is not imposed with respect to any use of electricity by business enterprises certified under Section 9-222.1 or 9-222.1A of the Public Utilities Act, as amended, to the extent of such exemption and during the time specified by the Department of Commerce and Economic Opportunity; or with respect to any transaction in interstate commerce, or otherwise, to the extent to which such transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.

(d) The tax imposed by this Section 2-4 is not imposed with respect to any use of electricity at a REV Illinois Project site that has received a certification for tax exemption from the Department of Commerce and Economic Opportunity pursuant to Section 95 of the Reimagining Electric Vehicles in Illinois Act, to the extent of such exemption, which shall be no more than 10 years.

(Source: P.A. 94-793, eff. 5-19-06.)

Section 930. The Public Utilities Act is amended by changing Section 9-222 as follows:

(220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

Sec. 9-222. Whenever a tax is imposed upon a public utility engaged in the business of distributing, supplying, furnishing, or selling gas for use or consumption pursuant to Section 2 of the Gas Revenue Tax Act, or whenever a tax is required to be collected by a delivering supplier pursuant to Section 2-7 of the Electricity Excise Tax Act, or whenever a tax is imposed upon a public utility pursuant to Section 2-202 of this Act, such utility may charge its customers, other than customers who are high impact businesses under Section 5.5 of the Illinois Enterprise Zone Act, electric vehicle manufacturers, electric vehicle component parts manufacturers, or electric vehicle power supply equipment manufacturers at REV Illinois Project sites as certified under Section 95 of the Reimagining Electric Vehicles in Illinois Act, or certified business enterprises under Section 9-222.1 of this Act, to the extent of such exemption and during the period in which such exemption is in effect, in addition to any rate authorized by this Act, an additional charge equal to the total amount of such taxes. The exemption of this Section relating to high impact businesses shall be subject to the provisions of subsections (a), (b), and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act. This requirement shall

not apply to taxes on invested capital imposed pursuant to the Messages Tax Act, the Gas Revenue Tax Act and the Public Utilities Revenue Act. Such utility shall file with the Commission a supplemental schedule which shall specify such additional charge and which shall become effective upon filing without further notice. Such additional charge shall be shown separately on the utility bill to each customer. The Commission shall have the power to investigate whether or not such supplemental schedule correctly specifies such additional charge, but shall have no power to suspend such supplemental schedule. If the Commission finds, after a hearing, that such supplemental schedule does not correctly specify such additional charge, it shall by order require a refund to the appropriate customers of the excess, if any, with interest, in such manner as it shall deem just and reasonable, and in and by such order shall require the utility to file an amended supplemental schedule corresponding to the finding and order of the Commission. Except with respect to taxes imposed on invested capital, such tax liabilities shall be recovered from customers solely by means of the additional charges authorized by this Section.

(Source: P.A. 91-914, eff. 7-7-00; 92-12, eff. 7-1-01.)

Section 935. The Environmental Protection Act is amended by adding Section 52.10 as follows:

(415 ILCS 5/52.10 new)

Sec. 52.10. Electric Vehicle Permitting Task Force.

(a) The Electric Vehicle Permitting Task Force is hereby created within the Environmental Protection Agency.

(b) The Task Force shall consist of the following members, which shall represent the diversity of the people of Illinois:

(1) The Director of the Environmental Protection Agency or his or her designee;

(2) The Director of Natural Resources or his or her designee;

(3) The Secretary of Transportation or their designee;

(4) 8 members appointed by the Governor as follows:

(A) one member of a statewide organization representing manufacturers;

(B) one member of a statewide organization representing business interests;

(C) one member representing an environmental justice organization;

(D) one member representing a statewide environmental advocacy organization;

(E) one member representing the electric vehicle industry;

(F) one member representing the waste management industry;

(G) one member of a statewide organization representing agricultural interests; and

(H) one member representing a labor organization.

(c) The duties and responsibilities of the Task Force include the following:

(1) identify existing and potential challenges faced by the electric vehicle industry with respect to the process for obtaining necessary permits from the Environmental Protection Agency, the Department of Natural Resources, and the Department of Transportation, and potential solutions;

(2) conduct an assessment of State permitting fees, including those necessary for electric vehicle investment in Illinois, and the revenue generated by those fees;

(3) assess the permitting needs of the electric vehicle industry, including electric vehicle manufacturers, electric vehicle power supply equipment manufacturers, and electric vehicle component parts manufacturers;

(4) recommend changes to expedite permitting processes to support the rapid growth of the electric vehicle industry in Illinois, including support for electric vehicle businesses locating or relocating in Illinois;

(5) analyze anticipated staffing needs across State agencies to support expedited permitting efforts;

(6) recommend adjustments to the fee structure for state permits, including those permits necessary for electric vehicle investment in Illinois, that will support

increased staffing at state agencies;

(7) Consider the impact of State and local permitting issues on electric vehicle charging station deployments, and make recommendations on best practices to streamline permitting related to electric vehicle charging stations; and

(8) recommend legislative and regulatory actions that are necessary to support changes to permitting processes.

(d) The Task Force shall not consider or recommend changes to environmental permitting standards outside of the scope of the duties and responsibilities outlined in subsection (c).

(e) Appointments for the Task Force shall be made no later than December 15, 2021. The Task Force shall issue a final report based upon its findings and recommendations and submit the report to the Governor and the General Assembly no later than March 1, 2022.

(f) Members of the Task Force shall serve without compensation. The Environmental Protection Agency shall provide administrative support to the Task Force.

(g) The Task Force shall be dissolved upon the filing of its report.

(h) This Section is repealed on December 31, 2022.

Section 940. The Motor Vehicle Franchise Act is amended by changing Section 6 as follows:

(815 ILCS 710/6) (from Ch. 121 1/2, par. 756)

(Text of Section before amendment by P.A. 102-232)

Sec. 6. Warranty agreements; claims; approval; payment; written disapproval.

(a) Every manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division shall properly fulfill any warranty agreement and adequately and fairly compensate each of its motor vehicle dealers for labor and parts.

(b) In no event shall such compensation fail to include reasonable compensation for diagnostic work, as well as repair service, labor, and parts. Time allowances for the diagnosis and performance of warranty work and service shall be reasonable and adequate for the work to be performed. In the determination of what constitutes reasonable compensation under this Section, the principal factor to be given consideration shall be the prevailing wage rates being paid by the dealer in the relevant market area in which the motor vehicle dealer is doing business, and in no event shall such compensation of a motor vehicle dealer for warranty service be less than the rates charged by such dealer for like service to retail customers for nonwarranty service and repairs. The franchiser shall reimburse the franchisee for any parts provided in satisfaction of a warranty at the prevailing retail price charged by that dealer for the same parts when not provided in satisfaction of a warranty; provided that such

motor vehicle franchisee's prevailing retail price is not unreasonable when compared with that of the holders of motor vehicle franchises from the same motor vehicle franchiser for identical merchandise in the geographic area in which the motor vehicle franchisee is engaged in business. All claims, either original or resubmitted, made by motor vehicle dealers hereunder and under Section 5 for such labor and parts shall be either approved or disapproved within 30 days following their submission. All approved claims shall be paid within 30 days following their approval. The motor vehicle dealer who submits a claim which is disapproved shall be notified in writing of the disapproval within the same period, and each such notice shall state the specific grounds upon which the disapproval is based. The motor vehicle dealer shall be permitted to correct and resubmit such disapproved claims within 30 days of receipt of disapproval. Any claims not specifically disapproved in writing within 30 days from their submission shall be deemed approved and payment shall follow within 30 days. The manufacturer or franchiser shall have the right to require reasonable documentation for claims and to audit such claims within a one year period from the date the claim was paid or credit issued by the manufacturer or franchiser, and to charge back any false or unsubstantiated claims. The audit and charge back provisions of this Section also apply to all other incentive and reimbursement programs for a period of one year after the date the claim was paid or credit issued by the

manufacturer or franchiser. However, the manufacturer retains the right to charge back any fraudulent claim if the manufacturer establishes in a court of competent jurisdiction in this State that the claim is fraudulent.

(c) The motor vehicle franchiser shall not, by agreement, by restrictions upon reimbursement, or otherwise, restrict the nature and extent of services to be rendered or parts to be provided so that such restriction prevents the motor vehicle franchisee from satisfying the warranty by rendering services in a good and workmanlike manner and providing parts which are required in accordance with generally accepted standards. Any such restriction shall constitute a prohibited practice.

(d) For the purposes of this Section, the "prevailing retail price charged by that dealer for the same parts" means the price paid by the motor vehicle franchisee for parts, including all shipping and other charges, multiplied by the sum of 1.0 and the franchisee's average percentage markup over the price paid by the motor vehicle franchisee for parts purchased by the motor vehicle franchisee from the motor vehicle franchiser and sold at retail. The motor vehicle franchisee may establish average percentage markup under this Section by submitting to the motor vehicle franchiser 100 sequential customer paid service repair orders or 90 days of customer paid service repair orders, whichever is less, covering repairs made no more than 180 days before the submission, and declaring what the average percentage markup

is. The average percentage markup so declared shall go into effect 30 days following the declaration, subject to audit of the submitted repair orders by the motor vehicle franchiser and adjustment of the average percentage markup based on that audit. Any audit must be conducted within 30 days following the declaration. Only retail sales not involving warranty repairs, parts covered by subsection (e) of this Section, or parts supplied for routine vehicle maintenance, shall be considered in calculating average percentage markup. No motor vehicle franchiser shall require a motor vehicle franchisee to establish average percentage markup by a methodology, or by requiring information, that is unduly burdensome or time consuming to provide, including, but not limited to, part by part or transaction by transaction calculations. A motor vehicle franchisee shall not request a change in the average percentage markup more than twice in one calendar year.

(e) If a motor vehicle franchiser supplies a part or parts for use in a repair rendered under a warranty other than by sale of that part or parts to the motor vehicle franchisee, the motor vehicle franchisee shall be entitled to compensation equivalent to the motor vehicle franchisee's average percentage markup on the part or parts, as if the part or parts had been sold to the motor vehicle franchisee by the motor vehicle franchiser. The requirements of this subsection (e) shall not apply to entire engine assemblies and entire transmission assemblies. In the case of those assemblies, the

motor vehicle franchiser shall reimburse the motor vehicle franchisee in the amount of 30% of what the motor vehicle franchisee would have paid the motor vehicle franchiser for the assembly if the assembly had not been supplied by the franchiser other than by the sale of that assembly to the motor vehicle franchisee.

(f) The obligations imposed on motor vehicle franchisers by this Section shall apply to any parent, subsidiary, affiliate, or agent of the motor vehicle franchiser, any person under common ownership or control, any employee of the motor vehicle franchiser, and any person holding 1% or more of the shares of any class of securities or other ownership interest in the motor vehicle franchiser, if a warranty or service or repair plan is issued by that person instead of or in addition to one issued by the motor vehicle franchiser.

(g) (1) Any motor vehicle franchiser and at least a majority of its Illinois franchisees of the same line may agree in an express written contract citing this Section upon a uniform warranty reimbursement policy used by contracting franchisees to perform warranty repairs. The policy shall only involve either reimbursement for parts used in warranty repairs or the use of a Uniform Time Standards Manual, or both. Reimbursement for parts under the agreement shall be used instead of the franchisees' "prevailing retail price charged by that dealer for the same parts" as defined in this Section to calculate compensation due from the franchiser for parts

used in warranty repairs. This Section does not authorize a franchiser and its Illinois franchisees to establish a uniform hourly labor reimbursement.

Each franchiser shall only have one such agreement with each line make. Any such agreement shall:

(A) Establish a uniform parts reimbursement rate. The uniform parts reimbursement rate shall be greater than the franchiser's nationally established parts reimbursement rate in effect at the time the first such agreement becomes effective; however, any subsequent agreement shall result in a uniform reimbursement rate that is greater or equal to the rate set forth in the immediately prior agreement.

(B) Apply to all warranty repair orders written during the period that the agreement is effective.

(C) Be available, during the period it is effective, to any motor vehicle franchisee of the same line make at any time and on the same terms.

(D) Be for a term not to exceed 3 years so long as any party to the agreement may terminate the agreement upon the annual anniversary of the agreement and with 30 days' prior written notice; however, the agreement shall remain in effect for the term of the agreement regardless of the number of dealers of the same line make that may terminate the agreement.

(2) A franchiser that enters into an agreement with its

franchisees pursuant to paragraph (1) of this subsection (g) may seek to recover its costs from only those franchisees that are receiving their "prevailing retail price charged by that dealer" under subsections (a) through (f) of this Section, subject to the following requirements:

(A) "costs" means the difference between the uniform reimbursement rate set forth in an agreement entered into pursuant to paragraph (1) of this subsection (g) and the "prevailing retail price charged by that dealer" received by those franchisees of the same line make. "Costs" do not include the following: legal fees or expenses; administrative expenses; a profit mark-up; or any other item;

(B) the costs shall be recovered only by increasing the invoice price on new vehicles received by those franchisees; and

(C) price increases imposed for the purpose of recovering costs imposed by this Section may vary from time to time and from model to model, but shall apply uniformly to all franchisees of the same line make in the State of Illinois that have requested reimbursement for warranty repairs at their "prevailing retail price charged by that dealer", except that a franchiser may make an exception for vehicles that are titled in the name of a consumer in another state.

(3) If a franchiser contracts with its Illinois dealers

pursuant to paragraph (1) of this subsection (g), the franchiser shall certify under oath to the Motor Vehicle Review Board that a majority of the franchisees of that line make did agree to such an agreement and file a sample copy of the agreement. On an annual basis, each franchiser shall certify under oath to the Motor Vehicle Review Board that the reimbursement costs it recovers under paragraph (2) of this subsection (g) do not exceed the amounts authorized by paragraph (2) of this subsection (g). The franchiser shall maintain for a period of 3 years a file that contains the information upon which its certification is based.

(3.1) A franchiser subject to subdivision (g)(2) of this Section, upon request of a dealer subject to that subdivision, shall disclose to the dealer, in writing or in person if requested by the dealer, the method by which the franchiser calculated the amount of the costs to be reimbursed by the dealer. The franchiser shall also provide aggregate data showing (i) the total costs the franchiser incurred and (ii) the total number of new vehicles invoiced to each dealer that received the "prevailing retail price charged by that dealer" during the relevant period of time. In responding to a dealer's request under this subdivision (g)(3.1), a franchiser may not disclose any confidential or competitive information regarding any other dealer. Any dealer who receives information from a franchiser under this subdivision (g)(3.1) may not disclose that information to any third party unless

the disclosure occurs in the course of a lawful proceeding before, or upon the order of, the Motor Vehicle Review Board or a court of competent jurisdiction.

(4) If a franchiser and its franchisees do not enter into an agreement pursuant to paragraph (1) of this subsection (g), and for any matter that is not the subject of an agreement, this subsection (g) shall have no effect whatsoever.

(5) For purposes of this subsection (g), a Uniform Time Standard Manual is a document created by a franchiser that establishes the time allowances for the diagnosis and performance of warranty work and service. The allowances shall be reasonable and adequate for the work and service to be performed. Each franchiser shall have a reasonable and fair process that allows a franchisee to request a modification or adjustment of a standard or standards included in such a manual.

(6) A franchiser may not take any adverse action against a franchisee for not having executed an agreement contemplated by this subsection (g) or for receiving the "prevailing retail price charged by that dealer". Nothing in this subsection shall be construed to prevent a franchiser from making a determination of a franchisee's "prevailing retail price charged by that dealer", as provided by this Section.

(Source: P.A. 96-11, eff. 5-22-09.)

(Text of Section after amendment by P.A. 102-232)

Sec. 6. Warranty agreements; claims; approval; payment; written disapproval.

(a) Every manufacturer, distributor, wholesaler, distributor branch or division, factory branch or division, or wholesale branch or division shall properly fulfill any warranty agreement and adequately and fairly compensate each of its motor vehicle dealers for labor and parts.

(b) Adequate and fair compensation requires the manufacturer to pay each dealer no less than the amount the retail customer pays for the same services with regard to rate and time.

Any time guide previously agreed to by the manufacturer and the dealer for extended warranty repairs may be used in lieu of actual time expended. In the event that a time guide has not been agreed to for warranty repairs, or said time guide does not define time for an applicable warranty repair, the manufacturer's time guide shall be used, multiplied by 1.5.

In no event shall such compensation fail to include full compensation for diagnostic work, as well as repair service, labor, and parts. Time allowances for the diagnosis and performance of warranty work and service shall be no less than charged to retail customers for the same work to be performed.

No warranty or factory compensated repairs shall be excluded from this requirement, including recalls or other voluntary stop-sell repairs required by the manufacturer. If a manufacturer is required to issue a recall, the dealer will be

compensated for labor time as above stated.

Furthermore, manufacturers shall pay the dealer the same effective labor rate (using the 100 sequential repair orders chosen and submitted by the dealer less simple maintenance repair orders) that the dealer receives for customer-pay repairs. This requirement includes vehicle diagnostic times for all warranty repairs. Additionally, if a technician is required to communicate with a Technical Assistance Center/Engineering/or some external manufacturer source in order to provide a warranty repair, the manufacturer shall pay for the time from start of communications (including hold time) until the communication is complete.

The dealer may submit a request to the manufacturer for warranty labor rate increases a maximum of once per calendar year.

A claim made by a franchised motor vehicle dealer for compensation under this Section shall be either approved or disapproved within 30 days after the claim is submitted to the manufacturer in the manner and on the forms the manufacturer reasonably prescribes. An approved claim shall be paid within 30 days after its approval. If a claim is not specifically disapproved in writing or by electronic transmission within 30 days after the date on which the manufacturer receives it, the claim shall be considered to be approved and payment shall follow within 30 days.

In no event shall compensation to a motor vehicle dealer

for labor times and labor rates be less than the rates charged by such dealer for like service to retail customers for nonwarranty service and repairs. Additionally, the manufacturer shall reimburse the dealer for any parts provided in satisfaction of a warranty at the prevailing retail price charged by that dealer for the same parts when not provided in satisfaction of a warranty; provided that such dealer's prevailing retail price is not unreasonable when compared with that of the holders of motor vehicle franchises from the same manufacturer for identical parts in the geographic area in which the dealer is engaged in business. ~~Additionally, the manufacturer shall reimburse the dealer for any parts provided in satisfaction of a warranty at the prevailing retail price charged by that dealer for the same parts when sold to a retail customer.~~

There shall be no reduction in payments due to preestablished market norms or market averages. Manufacturers are prohibited from establishing restrictions or limitations of customer repair frequency due to failure rate indexes or national failure averages.

No debit reduction or charge back of any item on a warranty repair order may be made absent a finding of fraud or illegal actions by the dealer.

A warranty claim timely made shall not be deemed invalid solely because unavailable parts cause additional use and mileage on the vehicle.

If a manufacturer imposes a recall or stop sale on any new vehicle in a dealer's inventory that prevents the sale of the vehicle, the manufacturer shall compensate the dealer for any interest and storage until the vehicle is repaired and made ready for sale.

Manufacturers are not permitted to impose any form of cost recovery fees or surcharges against a franchised auto dealership for payments made in accordance with this Section.

All claims, either original or resubmitted, made by motor vehicle dealers hereunder and under Section 5 for such labor and parts shall be either approved or disapproved within 30 days following their submission. All approved claims shall be paid within 30 days following their approval. The motor vehicle dealer who submits a claim which is disapproved shall be notified in writing of the disapproval within the same period, and each such notice shall state the specific grounds upon which the disapproval is based. The motor vehicle dealer shall be permitted to correct and resubmit such disapproved claims within 30 days of receipt of disapproval. Any claims not specifically disapproved in writing within 30 days from their submission shall be deemed approved and payment shall follow within 30 days. The manufacturer or franchiser shall have the right to require reasonable documentation for claims and to audit such claims within a one year period from the date the claim was paid or credit issued by the manufacturer or franchiser, and to charge back any false or unsubstantiated

claims. The audit and charge back provisions of this Section also apply to all other incentive and reimbursement programs for a period of one year after the date the claim was paid or credit issued by the manufacturer or franchiser. However, the manufacturer retains the right to charge back any fraudulent claim if the manufacturer establishes in a court of competent jurisdiction in this State that the claim is fraudulent.

(c) The motor vehicle franchiser shall not, by agreement, by restrictions upon reimbursement, or otherwise, restrict the nature and extent of services to be rendered or parts to be provided so that such restriction prevents the motor vehicle franchisee from satisfying the warranty by rendering services in a good and workmanlike manner and providing parts which are required in accordance with generally accepted standards. Any such restriction shall constitute a prohibited practice.

(d) For the purposes of this Section, the "prevailing retail price charged by that dealer for the same parts" means the price paid by the motor vehicle franchisee for parts, including all shipping and other charges, multiplied by the sum of 1.0 and the franchisee's average percentage markup over the price paid by the motor vehicle franchisee for parts purchased by the motor vehicle franchisee from the motor vehicle franchiser and sold at retail. The motor vehicle franchisee may establish average percentage markup under this Section by submitting to the motor vehicle franchiser 100 sequential customer paid service repair orders or 90 days of

customer paid service repair orders, whichever is less, covering repairs made no more than 180 days before the submission, and declaring what the average percentage markup is. The average percentage markup so declared shall go into effect 30 days following the declaration, subject to audit of the submitted repair orders by the motor vehicle franchiser and adjustment of the average percentage markup based on that audit. Any audit must be conducted within 30 days following the declaration. Only retail sales not involving warranty repairs, parts covered by subsection (e) of this Section, or parts supplied for routine vehicle maintenance, shall be considered in calculating average percentage markup. No motor vehicle franchiser shall require a motor vehicle franchisee to establish average percentage markup by a methodology, or by requiring information, that is unduly burdensome or time consuming to provide, including, but not limited to, part by part or transaction by transaction calculations. A motor vehicle franchisee shall not request a change in the average percentage markup more than twice in one calendar year.

(e) If a motor vehicle franchiser supplies a part or parts for use in a repair rendered under a warranty other than by sale of that part or parts to the motor vehicle franchisee, the motor vehicle franchisee shall be entitled to compensation equivalent to the motor vehicle franchisee's average percentage markup on the part or parts, as if the part or parts had been sold to the motor vehicle franchisee by the motor

vehicle franchiser. The requirements of this subsection (e) shall not apply to entire engine assemblies, propulsion engine assemblies, including electric vehicle batteries, and entire transmission assemblies. In the case of those assemblies, the motor vehicle franchiser shall reimburse the motor vehicle franchisee up to and including 30% of what the motor vehicle franchisee would have paid the motor vehicle franchiser for the assembly if the assembly had not been supplied by the franchiser other than by the sale of that assembly to the motor vehicle franchisee ~~and entire transmission assemblies.~~

(f) The obligations imposed on motor vehicle franchisers by this Section shall apply to any parent, subsidiary, affiliate, or agent of the motor vehicle franchiser, any person under common ownership or control, any employee of the motor vehicle franchiser, and any person holding 1% or more of the shares of any class of securities or other ownership interest in the motor vehicle franchiser, if a warranty or service or repair plan is issued by that person instead of or in addition to one issued by the motor vehicle franchiser.

(g) (Blank).

(Source: P.A. 102-232, eff. 1-1-22.)

Section 995. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that

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text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

Section 999. Effective date. This Act takes effect upon becoming law.